



Health Services
LOS ANGELES COUNTY

June 19, 2007

REVISED

Los Angeles County
Board of Supervisors

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*To improve health
through leadership,
service and education.*

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**APPROVAL OF SOLE SOURCE AGREEMENT WITH EPIC AMERICA, A
MEDICAL CORPORATION, FOR URGENT CARE CENTER SERVICES
AT HUBERT H. HUMPHREY COMPREHENSIVE HEALTH CENTER
(2nd District) (3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Make a finding pursuant to Los Angeles County Code section 2.121.420 that the Urgent Care Center services at Hubert H. Humphrey Comprehensive Health Center can more feasibly be performed by independent contractors; and
2. Approve and instruct the Chair to sign the attached Agreement with EPIC America, A Medical Corporation, for the provision of Urgent Care Center services at Hubert H. Humphrey Comprehensive Health Center on a sixteen hours a day, seven days per week basis, effective July 1, 2007 through June 30, 2009, at an annual maximum obligation of \$1,476,000 and a total maximum obligation of \$2,952,000; and
3. Delegate authority to the Director of Health Services, or his designee, to increase the annual maximum obligation of the Agreement not to exceed fifteen percent per fiscal year of the annual maximum obligation amount to provide reimbursement for additional services in the event of increased patient utilization of Urgent Care Center services.
4. Delegate authority to the Director of Health Services, or his designee, to approve a Cost of Living Adjustment (COLA) as determined by the COLA provisions provided annually by the Chief Administrative Office.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTIONS:

In approving the recommended actions, the Board is providing for the uninterrupted provision of Urgent Care Center (UCC) medical services at Hubert H. Humphrey Comprehensive Health Center (HHHCHC) by EPIC America, A Medical Corporation (EPIC America). These UCC medical services have been provided by EPIC America since August, 2001 (originally under the name of Gardena East Los Angeles Emergency Physicians Medical Group [GELA]) through a subcontract with the Charles R. Drew University of Medicine and Science (Drew). The County's operating agreement with Drew expires on June 30, 2007 at which time the subcontract will also expire.



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The delegated authority will allow for potential increases in patient utilization of UCC services at HHHCHC.

FISCAL IMPACT/FINANCING:

The total maximum obligation for this Agreement with EPIC America, for the two-year Agreement period, is \$2,952,000, based on 36,000 visits per year. The delegated authority will allow for an annual increase of \$221,400 for additional patient utilization of UCC services and would increase the total estimated contract cost to \$3,394,800.

Funding is included in the Department's Fiscal Year 2007-08 Proposed Budget, and will be requested in future fiscal years.

Monthly payments to the contractor are on a per visit basis of \$41 per visit for visits that exceed 2,500 per month. The contractor receives a flat fee of \$102,500 per month for the first 2,500 visits. Based on prior utilization, it is anticipated that monthly patient visits will exceed 2,500. If monthly visits do not meet 2,500 in any month, the County has the ability to offset or recoup any overage paid to the contractor either through a cash refund or deductions from subsequent payments owed to the Contractor, at the County's option.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

Historically, the County has contracted with Drew to provide medical services at HHHCHC's Urgent Care Center. The Drew operating agreement provides for payment to Drew at the amount of \$245.41 per hour, for 16 hours per day, 7 days a week for these UCC services. The total annual contracted amount with Drew for these services is \$1,433,172.

In August 2001, Drew determined that services could be provided more effectively through a subcontract. Drew requested, and the Department approved, a subcontract between Drew and GELA (now EPIC America). Dr. Casper T. Glenn, MD was the sole owner and shareholder of GELA and is now the sole owner and shareholder of EPIC America. This will be the first contract between EPIC America and the County even though medical services have been provided at HHHCHC's UCC by this organization for nearly six years.

County Counsel has approved the attached Agreement, Exhibit I, as to form.

Attachment A provides additional information.

CONTRACTING PROCESS:

This Agreement is presented as a sole source contract and has not been competitively bid. Contracts may be awarded without competitive bid when it is in the best interest of the County. The Department has determined that because 1) there would be a long learning curve for a new service provider, 2) these services are needed immediately, on an emergency basis, and 3) interruption of services would affect continuity of patient care, it is in the best interest of the County to award the contract to EPIC America without competitive bid.

The Honorable Board of Supervisors

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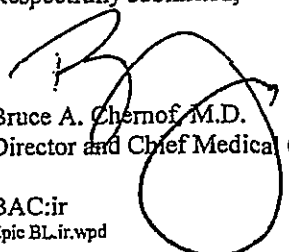
With regard to the feasibility finding, your Board recently approved an amendment to the Proposition A ordinance that permits contracting for physician services upon a determination that the use of an independent contractor is more feasible than the use of County employees. Based on the fact that the Department has utilized Drew and then EPIC (previously GELA) to provide these physician services, primarily because of the difficulty in recruiting and retaining physicians in this geographical area, the use of an independent contractor in this case is more feasible than using County physicians. Further, continuation of UCC services at HHHCHC is integral to the success of the MetroCare Plan effort. Accordingly, the Department is requesting that your Board find that the use of a contracted physician group is more feasible than using County physicians.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Approval of these recommendations will enable the Department to continue UCC services at HHHCHC, on an uninterrupted basis, which will contribute to the success of the MetroCare Plan by easing the stress on Martin Luther King, Jr.-Harbor Hospital's urgent care center.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, M.D.
Director and Chief Medical Officer

BAC:ir
Epic BL:ir.wpd

Attachments (2)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

SUMMARY OF BOARD LETTER

1. Type of Service:

Urgent Care Center medical services at Hubert H. Humphrey Comprehensive Health Center

2. Address and Contact Person:

EPIC America, A Medical Corporation
4859 West Slauson Avenue
Suite 305
Los Angeles, CA 90056
Attention: Casper T. Glenn, MD
Telephone: (323) 846-4265

3. Term:

Effective July 1, 2007 through June 30, 2009.

4. Financial Information:

The estimated annual cost for Urgent Care Center medical services is \$1,476,000. The estimated two-year cost is \$2,952,000. The delegated authority will allow for an annual increase of \$221,400 and would increase the total estimated contract cost to \$3,394,800.

5. Accountable for Program Monitoring:

Hubert H. Humphrey Comprehensive Health Center (HHHCHC) Administration

6. Primary Geographic Area to be Served:

2nd District

7. Approvals:

HHHCHC Administrator:	Floretta Taylor
Contracts and Grants Division:	Cara O'Neill, Chief
County Counsel (approval as to form)	Sharon A. Reichman, Principal Deputy